

ATTACHMENT 2

**Communications from Special Committee of the Whole (Budget) – January 18, 2023
– ITEM 1: 2023 PROPOSED BUDGET AND 2024-2026 FINANCIAL PLAN**

SPECIAL COMMITTEE OF THE WHOLE (BUDGET) – JANUARY 18, 2023**COMMUNICATIONS**

<u>Distributed January 13, 2023</u>	<u>Item No.</u>
C1. Angela Grella, Resident, dated January 10, 2023	1
C2. Irene Ford, Resident, dated January 12, 2023	1
C3. Presentation Material titled “ <i>Proposed 2023 Budget and 2024-2026 Financial Plan</i> ”, dated January 18, 2023	1
<u>Distributed January 17, 2023</u>	
C4. Rose Savage, Resident, dated January 9, 2023	1

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Please note there may be further Communications.

From: Clerks@vaughan.ca
To: [Jacquelyn Gillis](#)
Subject: FW: [External] No, to Property Tax Increase because of Bill 23!!!
Date: Wednesday, January 11, 2023 9:46:46 AM

From: Angela Grella <angelagrella64@gmail.com>
Sent: Tuesday, January 10, 2023 2:33 PM
To: mayor@vaughan.ca; Linda Jackson <Linda.Jackson@vaughan.ca>; Adriano Volpentesta <Adriano.Volpentesta@vaughan.ca>; Gila Martow <Gila.Martow@vaughan.ca>; Chris Ainsworth <Chris.Ainsworth@vaughan.ca>; Marilyn lafrate <Marilyn.lafrate@vaughan.ca>; Mario Ferri <Mario.Ferri@vaughan.ca>; Mario G. Racco <MarioG.Racco@vaughan.ca>; Rosanna DeFrancesca <Rosanna.DeFrancesca@vaughan.ca>; Clerks@vaughan.ca; Gino Rosati <Gino.Rosati@vaughan.ca>
Cc: IRENE FORD [REDACTED]; Judy Lam [REDACTED]; Claire Malcolmson <[REDACTED]>
Subject: [External] No, to Property Tax Increase because of Bill 23!!!

Dear Vaughan Council.

With budget talks scheduled to begin, I do not want my property taxes to increase as a direct result of Bill 23!

Will the city of Vaughan Council vote unanimously on a motion to formally oppose the Ontario government's Bill 23, the More Homes Built Faster Act?

Bill 23 will create a financial crisis, an environmental crisis, and an infrastructure crisis.

The City of Vaughan council must add its voice to that of other Ontario municipalities against the provincial bill.

In addition, Vaughan must oppose the parkland dedication formula in Bill 23. Studies have illustrated that parkland and green space are needed for mental, social and physical health benefits, especially for residents living in high-rise residential units. More parkland/green space, not less!!!

Has a meeting been convened with the local MPPs to discuss the impact and solutions with respect to Bill 23?

Sincerely,

Angela Grella (Ward 3, Vaughan)

Communication: C2
Special Committee of the Whole (Budget)

January 18, 2023

Item #1

From: Clerks@vaughan.ca
To: [Jacquelyn Gillis](mailto:Jacquelyn.Gillis@vaughan.ca)
Subject: FW: [External] Bill 23 & Interim Property Tax Levy
Date: Thursday, January 12, 2023 10:50:31 AM

From: IRENE FORD <[REDACTED]>
Sent: Thursday, January 12, 2023 10:00 AM
To: Todd Coles <Todd.Coles@vaughan.ca>; Council@vaughan.ca; Service Vaughan - VOL <Service@vaughan.ca>
Cc: Michael Tiboloco <michael.tiboloco@pc.ola.org>; Steve Clark <steve.clark@pc.ola.org>; Stephen Lecceco <stephen.lecceco@pc.ola.org>; Laura.Smith@pc.ola.org
Subject: [External] Bill 23 & Interim Property Tax Levy

Mayor, Regional Councillors, Local Councillors & The City of Vaughan Clerk,

There is much confusion amongst the public right now regarding the interim property tax levy increase and the impacts from Bill 23 as approved by the province last December. I would have to say it is an extremely hot button issue one that I've never seen the community talk about in so many places.

- Will staff be clarifying if the interim property tax increase in the [Jan 17 staff report](#) includes impacts from Bill 23? Will staff be providing any phased in impacts from Bill 23? Or even a range of impacts and also identify other services that may be reduced or cut as a result of Bill 23?
- Does the property tax increase account for losses in this article: "The City of Vaughan is predicting annual losses of between \$169 million and \$174 million, and a property tax increase of between 77 and 88 per cent." <https://www.cbc.ca/news/canada/toronto/development-charge-property-tax-survey-1.6706263#:~:text=The%20City%20of%20Vaughan%20is,77%20and%2088%20per%20cent.>
- If it does what would the property tax increase have been in the absence of Bill 23 being implemented?
- In the November staff reports on Bill 23 staff indicate that they submitted comments above and beyond the staff report to the ERO. Is it possible to get a copy of this?

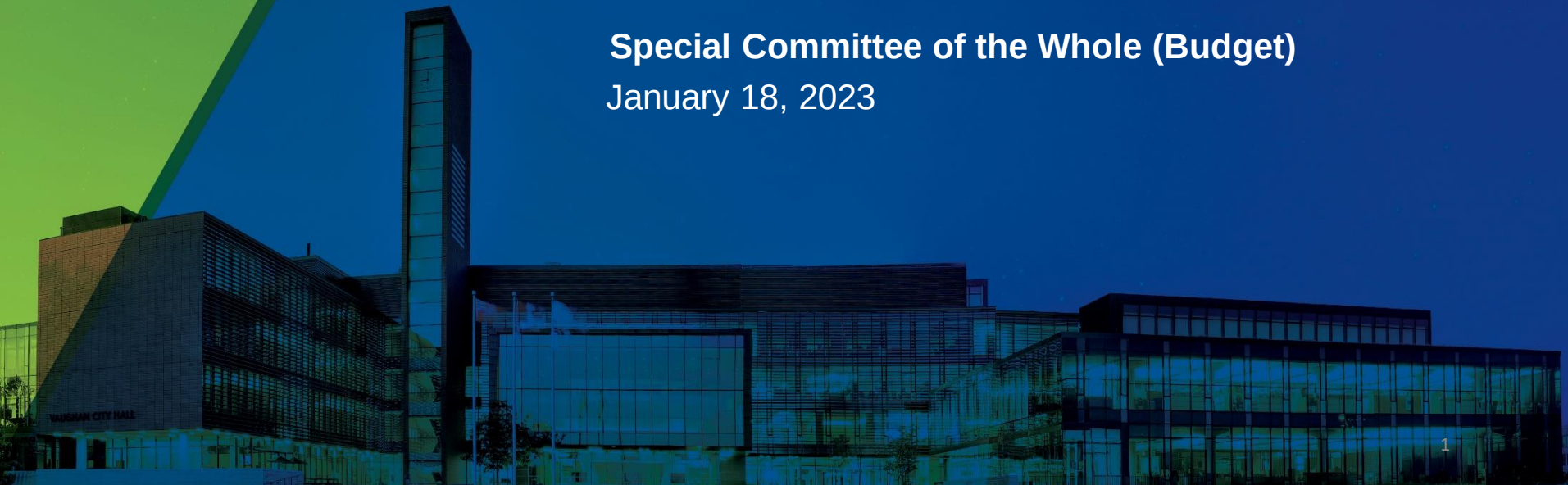
I understand that the details haven't been implemented and that there is a tremendous amount of uncertainty but even that should be communicated to the public. It is unfortunate that the staff report did not take the initiative to include some comments on Bill 23 given the high level of public and media interest.

As always please direct my email as necessary to the appropriate staff.

Thank you,
Irene Ford

Proposed 2023 Budget and 2024-2026 Financial Plan

Special Committee of the Whole (Budget)
January 18, 2023



Term of Council Service Excellence Strategic Plan 2018-2022

Mission
Citizens first
through Service
Excellence.

Vision
A city of choice that promotes diversity,
innovation and opportunity for all citizens,
fostering a vibrant community life that is
inclusive, progressive, environmentally
responsible and sustainable.

Values
Respect
Accountability
Dedication

The 2018-2022 Term of Council Service Excellence Strategic Plan reinforces the City of Vaughan's mission, vision and values, representing the core of how the administration will go above and beyond to deliver on Council's priorities through Service Excellence.

The Strategic Plan identifies the strategic priorities that the administration will focus on to support the City of Vaughan in being a City of Choice for both residents and businesses.

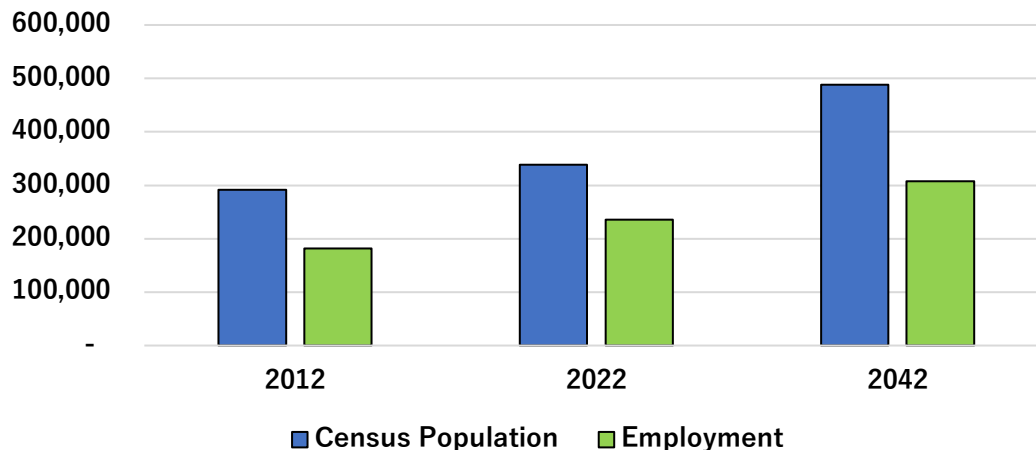


vaughan.ca/ServiceExcellence



Growth and Sustainability

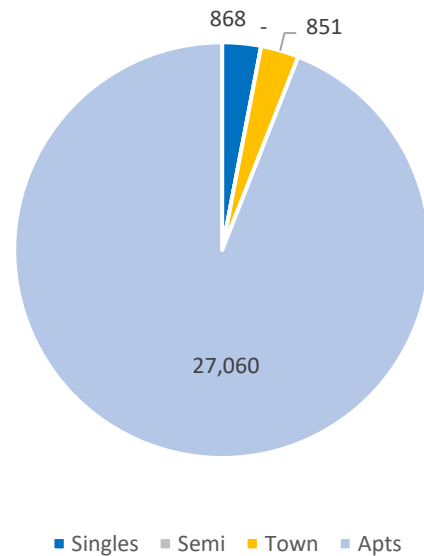
City of Vaughan:
Total Population and Employment (2012-2041)



- Strong population growth and development across the City
- Census population growth of 16% since 2012
- Employment growth of 30% since 2012
- By 2042 City expected to grow to approximately 489,000 persons and 307,000 employees

Growth and Sustainability

Active Residential Development Proposals by Type (Units) – As of November 2022



Financial Sustainability and Fiscal Transparency

Council Endorsed Budget Guiding Principles Support Budget Priorities

Financial Sustainability

Guiding Principles

Principle 1

Consideration Towards Existing Service Levels

Principle 2

Growth Pays for Growth

Principle 3

New Initiatives to Enhance the City

Principles in Action

Approach to

- Infrastructure
- Services
- Managing Money

Long-Range Fiscal Planning

The City has developed a Long-Range Fiscal Plan (LRFP)

- Forecasts were developed from various City sources:
 - 2022 Operating & Capital Budgets;
 - 2022 DC Background Study;
 - Asset Management Plans (core and non-core assets); and
 - Other master plans and macroeconomic data.
- Findings were presented to Council in December 2022:
 - The City will need to plan for tax levy pressures over the short-term while balancing capital commitments over the long-term.
 - Property taxes will continue to be the City's main source of revenue, however fiscal pressures can occur if status quo tax rate increases are maintained.
 - Infrastructure reserves and debt financing are important fiscal tools that will help the City moving forward.

The LRFP is a Living Document

- **The LRFP complements the City's continuously evolving budget process**
 - The LRFP was used to inform development of the 2023 Budget and 2024-2026 Financial Plan.
 - Sensitivity Analysis:
 - Inputs - the model can be adjusted to reflect changes in growth patterns and infrastructure requirements.
 - Outputs - tax levies, contributions to reserves, and debt financing to fund the required services and capital needs.
 - By projecting forecasts into the longer-term future, pressures can be proactively managed before they occur to keep tax rates affordable.

Infrastructure Funding Gap

Key Findings from the LRFP Fiscal Model

- Potential tax rate “spikes” due to pressures for repair / replacement of assets;
- Infrastructure funding gap between \$1.8 billion and \$2.0 billion (2022-2042); and
- Infrastructure reserves potentially drop below \$5 million by 2038.



Potential Strategies to Narrow the Infrastructure Funding Gap (Recommended by Hemson):

- ✓ Manage timing / scope of capital projects.
- ✓ Strategic use of debt.
- ✓ Leverage discretionary reserves.
- Implement a dedicated Infrastructure Levy.



Strategic Planning and Budget Process



Public Engagement on Budget Process



2023 Budget – Context

COVID restrictions have curtailed, but high inflation and interest rates are causing continued economic uncertainty...

Plan for Gradual Recovery from COVID-19

- Economic activity and consumer spending is up, including the City's services (e.g. Municipal Accommodation Tax, Recreation)
- Uncertainty of the impact of COVID-19 remains (consumer behaviour, spending patterns)

Factor in Impacts of High Inflation and Interest Rates

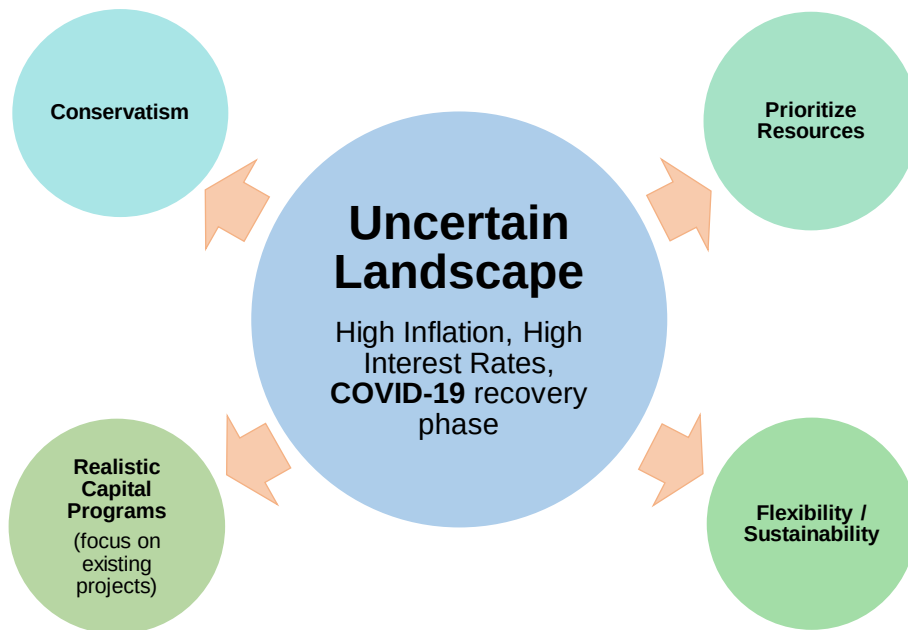
- CPI was 6.8% (November 2022)
- Increases in almost all spending categories...especially fuel and construction / material
- Interest rates up 400 basis points in 2022 with potentially further increases

Which can impact City's finances...

- Revenues (user fees) not fully recovered
- Sustained COVID-19 incremental spending
- Significant upward pressure on capital project costs and cost of borrowing
- Continued pressure on sustaining service levels & delivery models

2023 Budget – Guiding Principles

The City of Vaughan's budget is built on the principles of integrity, accountability and responsibility. It is focused on keeping property tax rates low, respecting taxpayers' hard-earned money and delivering quality public services.



Budget Summary

2023 Budget and 2024-2026 Capital Plan:

Tax Supported Programs

2023 Gross
Operating
\$355 million

2023 Capital
Budget \$347
million

2024-2026
Capital Plan
\$497 million

2.9% Tax
Increase

Utility Rate Supported Programs

2023 Gross
Operating
\$191 million

2023 Capital
Budget \$97
million

2024-2026
Capital Plan
\$87 million

3.3% Combined
Water / Wastewater
Rate Increase

5.2% Average
Stormwater Charge
Increase

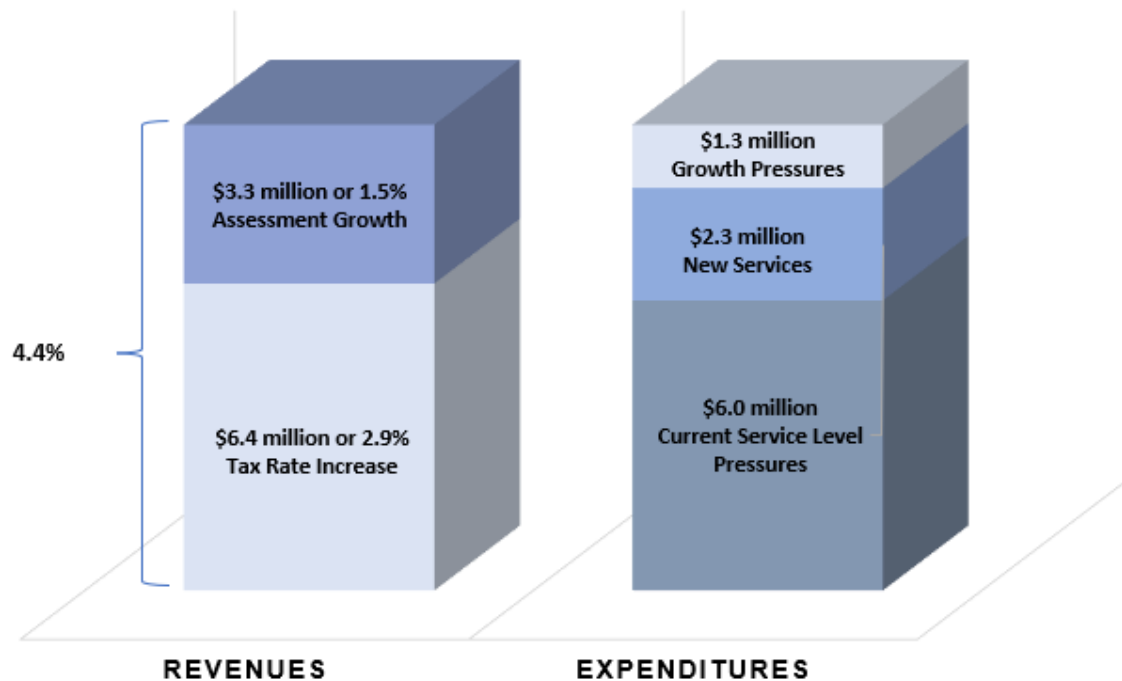
Proposed 2023 Tax Supported Operating Budget

(\$M)	2021 Actuals	2022 Approved Budget	2023 Proposed Budget	2024 Plan	2025 Plan	2026 Plan
Gross Operating	322.7	333.2	355.0	373.7	386.6	401.9
Less: Non-Tax Revenue	104.5	107.4	118.8	127.1	129.1	133.2
Net Operating	218.2	225.7	236.2	246.6	257.4	268.8
Less: Payment In Lieu of Taxes	2.6	2.7	2.7	2.7	2.7	2.7
Supplemental Tax	3.2	2.7	3.5	3.5	3.5	3.5
Net Levy	212.3	220.4	230.1	240.4	251.2	262.6
Incremental Levy Requirement	3.0	7.5	9.7	10.4	10.8	11.3
Revenue from Assessment Growth	3.0	3.2	3.3	3.5	3.6	3.8
Revenue from Incremental Tax Rate	0	4.3	6.4	6.9	7.2	7.5
Incremental Tax Rate	0.00%	2.00%	2.90%	3.00%	3.00%	3.00%

Financial plans for 2024-2026 will be reassessed annually.

Annualized impact of known pressures in 2024 of \$15.6 million includes operating impacts of Carrville Community Centre, Fire Station 7-12, North Maple Regional Park, West Woodbridge Library and expected COLA increases.

2023 Tax Levy Analysis



Of \$4.3M of ARR, \$1.3M is for growth, \$2.3M new initiatives, and \$0.6M current service level pressures

Proposed Water/Wastewater/ Stormwater Operating Budget

\$M	2021 Actuals	2022 Approved Budget	2023 Proposed Budget	2024 Plan	2025 Plan	2026 Plan
Revenue						
Water/Wastewater Revenues	167.1	165.5	177.8	183.7	189.8	196.0
Water/Wastewater Purchases	132.9	132.1	141.9	146.5	151.4	156.4
Gross Margin (A)	34.3	33.5	36.0	37.2	38.4	39.7
Other Revenues (B)	10.9	14.1	13.0	13.6	14.2	14.9
Less: Expenditures (C)	28.0	32.9	33.0	36.5	36.9	37.2
Less: Life Cycle Contribution (D)	17.2	14.6	15.9	14.2	15.7	17.4
Net Operating Budget (A+B-C-D)	0.0	0.0	0.0	0.0	0.0	0.0
Water/Wastewater Rate Increase	2.9%	3.3%	3.3%	3.3%	3.3%	3.3%
Stormwater Charge Increase	4.5%	4.5%	5.2%	5.3%	5.3%	5.3%

Financial Plans for 2024 to 2026 will be reassessed annually.

2023 Water/Wastewater/ Stormwater Analysis

Water & Wastewater

• CITY (operating)	\$ 24.8	14%
• CITY (reserves)	\$ 12.5	7%
• REGION (purchases)	<u>\$141.9</u>	<u>79%</u>
• TOTAL	\$179.2	100%

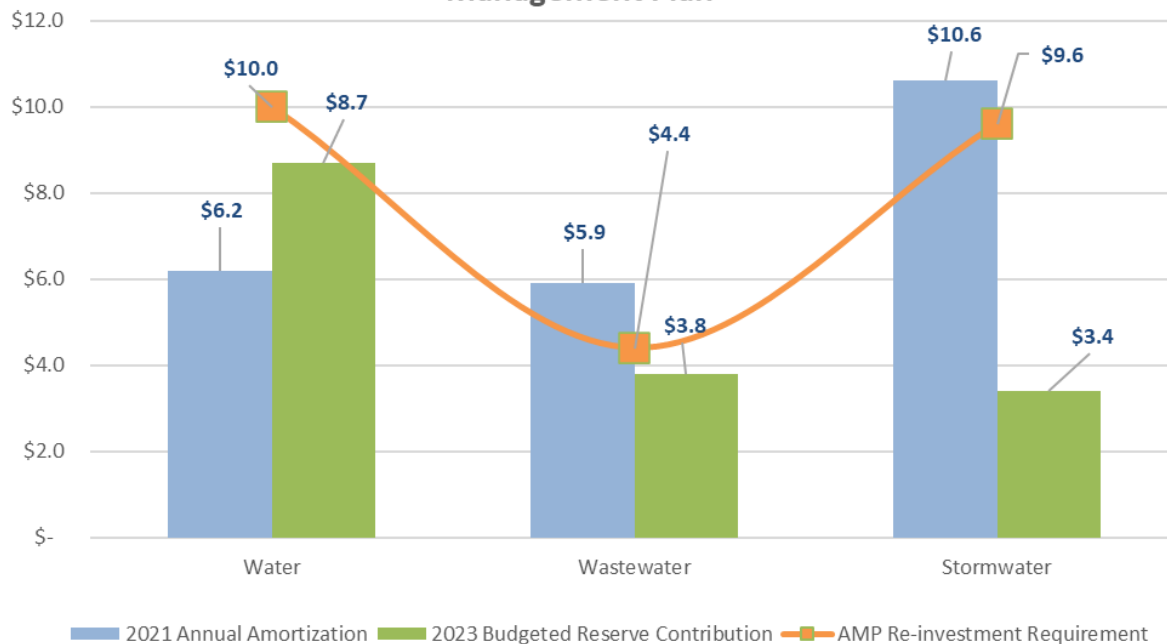
Stormwater

• CITY (operating)	\$ 8.3	71%
• CITY (reserves)	<u>\$ 3.4</u>	<u>29%</u>
• TOTAL	\$ 11.7	100%

*All financial figures are in millions of dollars

2023 Water/Wastewater/ Stormwater Reserve Analysis

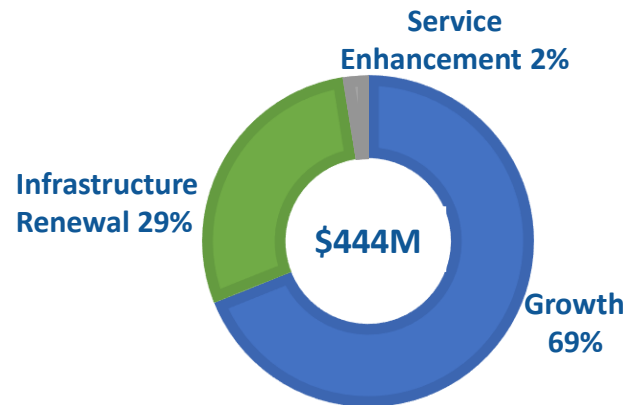
Reserve Contribution vs. Annual Amortization and Asset
Management Plan



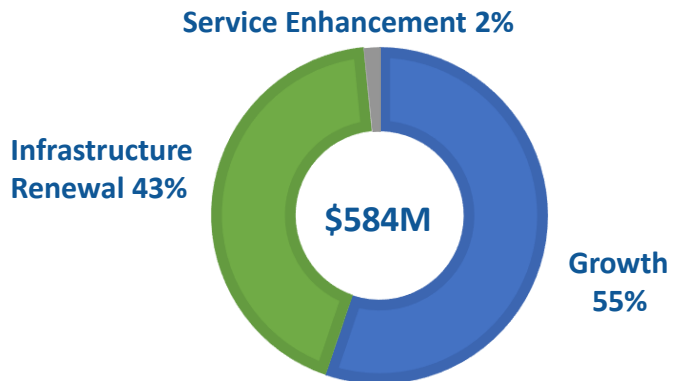
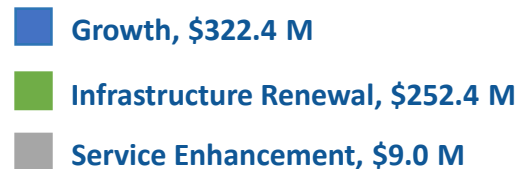
*All financial figures are in millions of dollars

Sustainable Capital Project Investments

2023 Capital Investment



2024-2026 Capital Plan



Conclusion of Hospital Levy in 2022

- In 2009, the Council approved a dedicated, temporary Hospital Levy to fund the City's contribution to the hospital in Vaughan (\$80 million).
- By borrowing internally, funds were recovered in 13 years, significantly less than the initial 20-year recovery timeframe.
- The City's contributions to the development of the hospital were fully paid in 2022 and **the Hospital Levy will no longer appear on property tax bills beginning in 2023.**
- The Cortellucci Vaughan Hospital opened in February 2021 to assist with COVID-19 relief and fully opened on June 6, 2021.



Where Do Taxes Go? Understanding the Tax Bill

Average Residential Tax Bill

York Region
50% - \$3,286

Local School Boards
22% - \$1,454

City of Vaughan
28% - \$1,836

NOTE: Based on a home with an assessed value of \$950,000



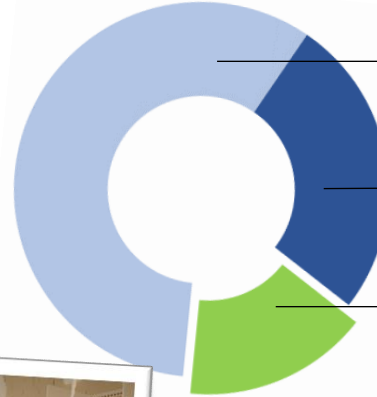
Commercial Tax Bill

Local School Boards
55% - \$880

York Region
29% - \$461

City of Vaughan
16% - \$257

NOTE: Based on assessment value of \$100,000



What Do Taxes Fund?

Understanding the Tax Bill

City Expenditures by Service

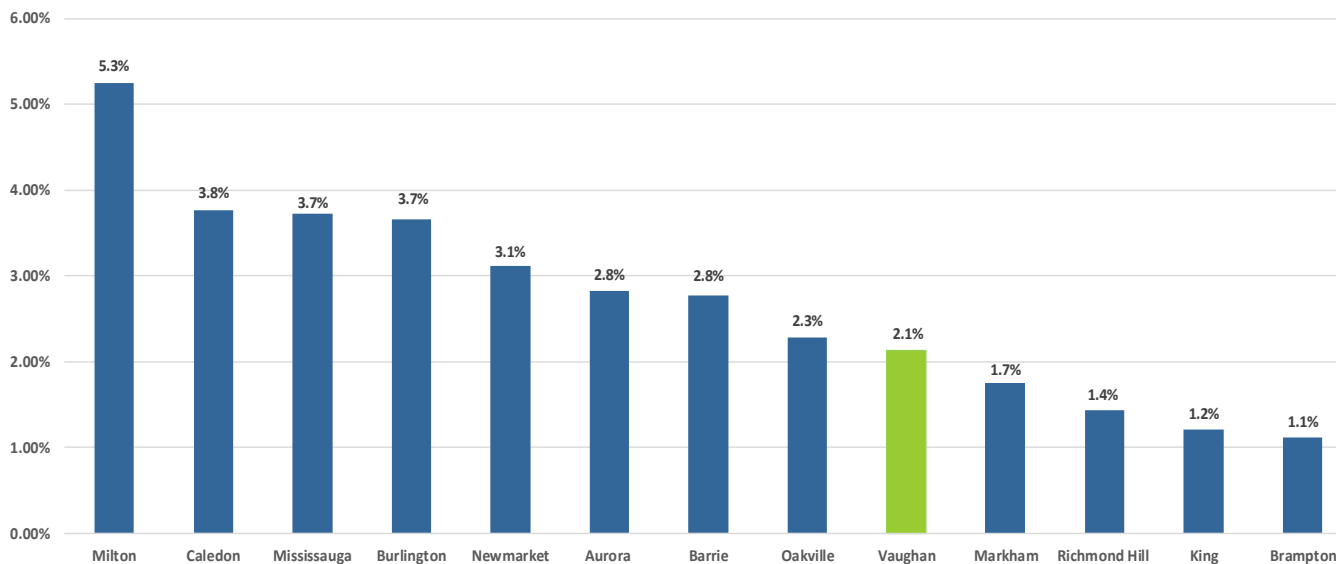
- \$0.18** Public Works & Road Services
- \$0.17** Fire and Rescue Services
- \$0.16** General Government, Legal & Clerks
- \$0.11** Infrastructure Development
- \$0.10** Capital Investment & Debt Servicing
- \$0.09** Community Services
- \$0.08** Planning & Growth
- \$0.07** Vaughan Public Libraries
- \$0.04** Fulfil Council's priorities by City Manager,
Internal Audit, Integrity Comm. and others
- \$1.00** Total



Property Tax Rate Among Lowest in GTA

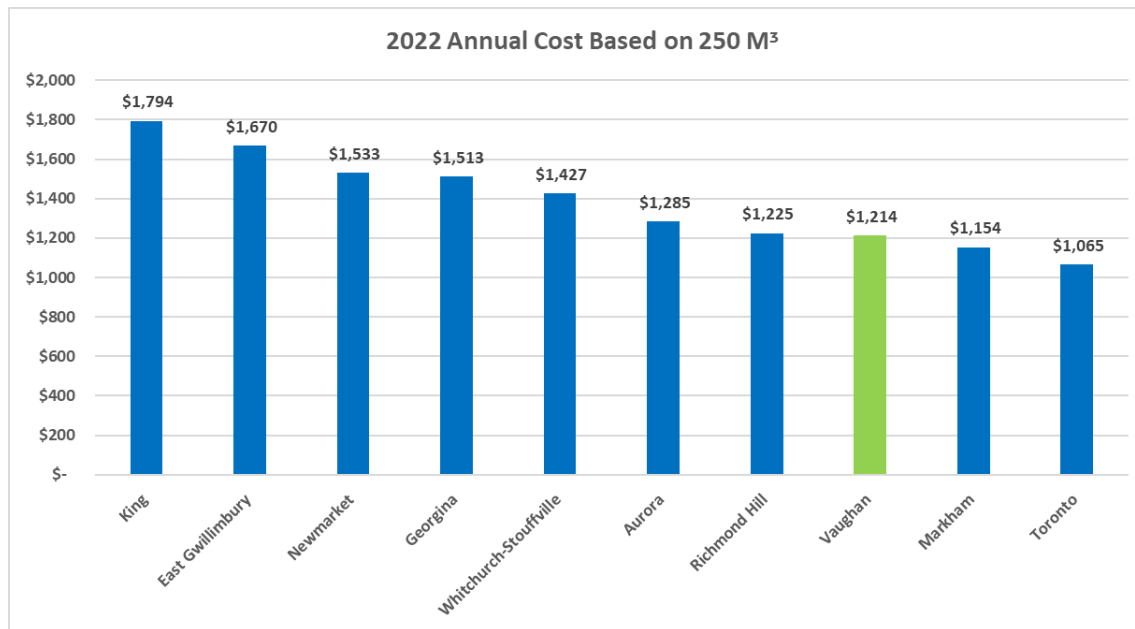
It is anticipated that Vaughan's total tax rate will continue to be one of the lowest in 2023. The Proposed 2023 Budget builds on this commitment to prudent fiscal management by maximizing the responsible use of every tax dollar collected.

Municipal Property Tax Increases: Five Year Average (2018-2022)



With the proposed 2.9% tax rate increase in 2023, Vaughan's 5-Year Average remains at **2.1%*

Water and Wastewater Rates Among Lowest in York Region



- For 2023 the combined draft rate is \$5.016/m³ representing a 3.3% increase over 2022.
- This equates to an annual cost for 2023 of \$1,254 for an average household that consumes 250 cubic metres and an increase of \$40.05 or \$3.34 per month compared to prior year.

Future Pressures as a Result of Bill 23

- Bill 23 (More Homes Built Faster Act, 2022) received Royal Assent on November 28th
- Changes in the legislation will restrict and reduce the City's ability to collect revenue for growth related infrastructure
- Without alternate funding sources, this could result in:
 - Delayed projects
 - Reduced service levels
 - Increased property taxes



Next Steps

Future Meeting Dates

City of Vaughan

- **Jan 24:** Portfolio Strategic Priorities and Updates
- **Feb 8:** Adoption of 2023 Budget and Endorsement of the 2024-2026 Financial Plan

**Public deputations
are encouraged at
all budget meetings**

York Region

- **January 26:** Tabling of the 2023 Budget with Regional Council
- **February 2, 9:** Committee of Whole Reviews
- **February 23:** Budget Approval with Regional Council

Communication: C4
Special Committee of the Whole (Budget)
January 18, 2023
Item #1

From: Clerks@vaughan.ca
To: [Jacquelyn Gillis](#)
Subject: FW: [External] Security & Safety Deputation from YRP Neighbourhood Network
Date: Monday, January 16, 2023 4:36:45 PM
Attachments: [External YRP Weekly Report .msg](#)

-----Original Message-----

From: Todd Coles <Todd.Coles@vaughan.ca>
Sent: Monday, January 16, 2023 4:20 PM
To: Clerks@vaughan.ca
Subject: FW: [External] Security & Safety Deputation from YRP Neighbourhood Network

Communication for Budget, including the attached email.

Thanks,

Todd

Todd Coles, BES, MCIP, RPP
City Clerk
905-832-8585, ext. 8281 | todd.coles@vaughan.ca

City of Vaughan | Office of the City Clerk
2141 Major Mackenzie Dr., Vaughan ON L6A 1T1 vaughan.ca

-----Original Message-----

From: Rose Savage <[REDACTED]>
Sent: Thursday, January 12, 2023 9:33 AM
To: Todd Coles <Todd.Coles@vaughan.ca>
Subject: Re: [External] Security & Safety Deputation from YRP Neighbourhood Network

Hi Todd,

To be honest, my request would not be to have the municipality taxes pay for security; but that the Municipality has Federal pay for the security required to protect existing taxpayers.

Rose Savage
Re/Max Premier Inc. International

> On Jan 12, 2023, at 09:23, Todd Coles <todd.coles@vaughan.ca> wrote:

>

> Rose,

>

> I just want to confirm that you wish to speak at the Budget meeting? I also have your second email with the YRP stats.

>
> Thanks,
>
> Todd
>
> Todd Coles, BES, MCIP, RPP
> City Clerk
> 905-832-8585, ext. 8281 | todd.coles@vaughan.ca
>
> City of Vaughan | Office of the City Clerk
> 2141 Major Mackenzie Dr., Vaughan ON L6A 1T1
> vaughan.ca
>
>
>
> -----Original Message-----
> From: Rose Savage [REDACTED] >
> Sent: Thursday, January 5, 2023 9:24 AM
> To: Todd Coles <Todd.Coles@vaughan.ca>
> Subject: [External] Security & Safety Deputation from YRP
> Neighbourhood Network
>
>
> Hi Todd,
>
> Our YRP group would like to bring forward an important deputation for next week's council meeting.
>
> We are a group from all areas of Vaughan so it's a "Vaughan Request" for increased Police just like what John Tory announced.
>
> Please flag this item as High Priority Item.
>
> I will submit the correspondence on behalf of our group leaders with the list of names and our YRP leader.
>
> Thank you again for all that you do for us !!
>
>
> Rose Savage
> Neighbourhood Watch Leaders for Vaughan
>
>
>
>
>
>
> This e-mail, including any attachment(s), may be confidential and is intended solely for the attention and information of the named addressee(s). If you are not the intended recipient or have received this message in error, please notify me immediately by return e-mail and permanently delete the original transmission from your computer, including any attachment(s). Any unauthorized distribution, disclosure or copying of this message and attachment(s) by anyone other than the recipient is strictly prohibited.

From: [Rose Savage](#)
To: [Todd Coles](#)
Subject: [External] YRP Weekly Report
Date: Monday, January 9, 2023 10:00:41 AM

This is what I would like to bring forward to City Of Vaughan Council and what is being done as part of the Budget Process to address the increased Safety Issue. Vaughan tax payers should not be impacted; however, Canada and Ontario need to be held accountable.

As one of the Neighbourhood Watch leaders in Vaughan; we as a network community are bringing this forward as our list of names as part of the YRP community will also be provided. Thank you

Vaughan

Offence Type	Offences (last 7 days)	Previous Week	Variance
Theft of Motor Vehicle	32	36	-4
Theft Under \$5000	22	37	-15
Assault	16	12	+4
Impaired Operation	8	10	-2
Mischief	7	7	0
Break and Enter	7	13	-6
Missing Person	7	3	+4
Other Serious Crime	6	8	-2
Other Property Crime	5	5	0
Drug Violations	4	3	+1
Criminal Act	2	0	+2
Attempt Murder	1	0	+1
Provincial Offences	1	1	0
Weapons Violations	1	1	0
Robbery	1	4	-3
Public Nuisance	0	2	-2
Firearms Violations	0	0	0
Fraud	0	6	-6
Sexual Violations	0	1	-1
Violations Causing Death	0	0	0
Other Criminal Code	0	3	-3
Arson	0	0	0
Theft Over \$5000	0	1	-1
Violations Imprisonment Freedom	0	1	-1

Rose Savage
Neighbourhood Watch Leader